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WORLD COTTON PROSPECTS
(May issue)

Summary

Domestic cotton textile mill activity during May, as in April, continued relatively high as compared with most of the depression period, but consumption during May was, no doubt, materially below the unusually high level of May last year. With few exceptions, sales of cotton textiles for the industry as a whole have been below production for many weeks. This explains why the domestic mills wish to restrict production for a period of 12 weeks beginning June 4.

Cotton mill activity in foreign countries as a whole probably changed relatively little during April and the first part of May. In Japan mill activity reached a new high level in April and apparently continued high in May. However, the adoption of import quotas by some of Japan's principal customers may tend to reduce activity in the months ahead, although reports indicate that the Japanese mills have rather large quantities of unfilled orders on hand at present. In early May the Chinese owned mills in China were reported as operating at about 75 percent of capacity while the Japanese owned mills had increased their activity from 90 to 95 percent of capacity. British mills increased their activity slightly around the middle of May and for the month were apparently slightly more active than a year earlier. The German cotton mills were much more active in April than a year earlier and even more active than in 1928.

The final estimate of the 1933 domestic crop was placed at 13,047,000 bales of 478 pounds net, which was 130,000 bales less than the December estimate. On the basis of the final estimate, stocks at the beginning of

the season and domestic consumption and exports, the supply of American cotton remaining in the United States on May 1 was approximately 10,300,000 bales compared with 11,900,000 bales a year earlier and an average of 5,200,000 bales for the 10 years ended 1930.

The German prohibition on the purchase of raw cotton from foreign countries, because of the difficulty in financing foreign purchases, partly accounts for domestic exports in April and May lagging behind those of the corresponding periods last year and the year before. German mill consumption continues high, however, so that imports later on may be increased somewhat as a result of the imposed restriction.

Prices

Prices of American cotton in domestic markets declined about 1 cent per pound from mid-April to the first of May with the average of the 10 designated markets declining from around 11-3/4 cents to 10-3/4 cents. From May 1 to May 17, however, prices in these markets gained about 3/4 cent averaging slightly above 11-1/2 cents. Between that date and May 29 the average price in these markets fluctuated between 11-1/4 and 11-1/2 with the average on the 29th 11.44 cents. The average price in the 10 markets during May last year was 8.49 cents and in May 1932 the average was 5.41 cents.

During April the average price of three types of Indian cotton, Brooch, Oomra, and Sind averaged 69.2 percent of the average of American middling and low middling which was the same as in March, but compared with 82.1 percent in April last year, 89.3 in April 1932, and was the lowest for April with two exceptions, 1930 and 1923, in the last 15 years. On Friday, May 4, the ratio of these three types of Indian to American increased to 70.3, on May 11 was 71.3, and on May 18 was 72.1.

Stocks and Movement

Apparent supply of American cotton in United States

With the final ginnings placed at 13,047,000 bales and a carry-over on hand in the United States on August 1 last year of 8,083,000 bales, the total supply for domestic consumption and exports for the season was 21,130,000. Total disappearance from the United States from August 1 to April 30, according to reports of the Bureau of the Census, amounted to 10,826,000 bales leaving an apparent supply in the United States on May 1 of approximately 10,300,000 bales. On May 1 last year the stocks in the United States were about 11,900,000 bales and for the 10 years ended 1930 averaged 5,200,000 bales.

Exports of American cotton

Total exports of American cotton from the United States during April amounted to 387,000 running bales which were the smallest for the month since 1930, according to data from the Bureau of the Census. Trade data on exports to May 29 indicate that exports for May are likely to be about 200,000 bales less than May last year. Part of the smaller exports may be attributed to the German prohibition on the purchase of raw cotton which was issued on March 21. Exports to Germany during the month amounted to only 50,000 bales compared with 131,000 bales in April last year and 105,000 bales in April 1932. While the German prohibition affected exports during April and May it may result in Germany taking larger quantities later on as reports indicate that the German cotton textile situation continued relatively favorable with mill activity higher than in 1928 when activity was unusually high.

From August 1 to April 30 total exports from the United States amounted to 6,485,000 bales which represented a decrease of 36,000 bales compared with the like period last season and 900,000 bales less than the unusually large exports during the first three-fourths of 1931-32.

Exports of Indian and Egyptian cotton

From August 1 to May 10 exports of raw cotton from India totalled 1,645,000 bales of approximately 400 pounds whereas during the corresponding period of 1932-33 there were 1,595,000 bales exported and in 1931-32 only 1,190,000 bales, according to data from the Commercial and Financial Chronicle. The materially larger exports to Great Britain and to the Continent of Europe has more than offset the smaller shipments to Japan and China (combined). During the 4 weeks ended May 10 total exports from India were about the same as in the corresponding weeks last year, but nearly four times as large as the small exports during the like period in 1932.

Exports from Egypt for the season to May 9 totaled 1,043,000 bales of approximately 750 pounds which were 60 percent larger than a year earlier and 23 percent larger than to the same date in 1932. During the 4 weeks ended May 9 there were 99,000 bales exported compared with 57,000 and 69,000 bales respectively in the like period last season and the season before. Exports of Egyptian cotton to the United States for the season to May 9 totaled 67,000 bales compared with only 31,000 and 34,000 bales during 1932-33 and 1931-32.

Textile Situation

United States

Domestic cotton mill activity during April was fully as high as in March. However, due to the fewer working days, total consumption for the month was slightly lower than that of March, but 9 percent larger than in April last year. The 513,000 bales consumed in April was the largest consumption for that month since 1930. Total consumption by domestic mills for the 9 months ended April 30 amounted to 4,458,000 bales compared with 4,219,000 bales during the like period last season.

Trade reports indicate that sales and shipments of cotton goods during April were less than production resulting in a further reduction in unfilled orders and an increase in stocks. The same is true in general of the situation during the first 4 weeks of May and apparently resulted in a slight decline in the rate of activity. May activity was, however, still high relative in most periods during the past few years, but considerably below the high consumption during May 1933. Beginning June 4 activity in the cotton textile industry will for a period of 12 weeks be limited to 75 percent of the 80 hours per week maximum which has been in force during most of the period since the Cotton Textile Code went into effect last July. According to data which the Cotton Textile Code Authority furnished the N.R.A., unsold stocks of cotton cloth held by manufacturers on April 28 was 332,362,000 yards, 33 percent larger than on February 24, but somewhat less than the average from the fall of 1927 to December 1932, if it assumed that these data are comparable with those formerly released by the Association of Cotton Textile Merchants of New York. Unfilled orders on hand toward the end of April were reported at 756,000,000 yards compared with 1,138,000,000 yards 2 months earlier, but more than twice as large as the average from 1927 to 1932 as reported by the Association of Cotton Textile Merchants of New York. Such machinery as that engaged in the production of the following products is exempt from the order; tire yarns or fabrics, tobacco cloths, woven cotton blankets, upholstery and drapery fabrics, jacquard woven bedspreads, merino yarns, narrow fabrics made on multiple shuttle or on fly shuttle looms, paper drier felt, and millinery foundation cloths. Machinery in the industry used for spooling, winding, reeling or skeining as a final process to produce cotton thread ready for sale as a finished article is also exempt from the curtailment order. Press reports indicate that trade observers estimate that the curtailment of 25 percent in the maximum hours the machinery may be operated will probably reduce cotton consumption only 10 to 15 percent due to the fact that some mills are exempt and other have not been operating at a maximum.

Great Britain

Mill activity in Great Britain during April showed a slight decline from the levels existing in previous weeks, according to reports of the New York Cotton Exchange Service. Toward the end of April activity apparently declined to below 70 percent of normal, but during the first part of May increased somewhat. Exports of cotton cloth from Great Britain in April amounted to 154,000,000 square yards which were the smallest for 8 months, 10 percent less than in April last year and 29 percent less than in April 1932. Total exports for the 9 months ended April 30 amounted to 1,465,000,000 square yards which were 10 percent less than the 1,625,000,000 square yards exported during the like period last season, but the largest with that exception for any like period since 1929-30. Exports of cotton cloth from England should show some improvement in the future as a result of the adoption by British colonies of import quotas on Japanese goods.

Continental Europe 1/

Continental European cotton markets during April were greatly influenced by the steady and substantial decline in raw cotton prices all over the world, and especially in the United States. The continental trade and

1/ Based largely on a report prepared by Donald F. Christy, Assistant Agricultural Attache at Berlin, Germany, dated May 7.

spinning world is of the opinion that the recently enacted restrictive legislation in the United States does not preclude the possibility of excessive production. At the same time the difficult foreign trade situation in Germany, which may tend to curtail the textile activity there because of difficulty encountered in financing current imports from the proceeds of current exports, is also believed to have contributed somewhat to the pessimistic note already prevalent. However, the cotton textile situation in Germany, as a whole, is good with mill activity high.

Business activity in the continental European cotton textile industry during April showed no significant change as compared with March. Sales of cotton yarn, cotton fabrics, and other cotton goods were about the same as in March in central Europe. They were satisfactory in Germany, and slightly improved in Czechoslovakia and Austria. France reported continued dull business in cotton yarns and cotton goods, and Italy appears to be somewhat handicapped by recent deflationary measures.

Spinning and weaving mill activity in central Europe was fairly well maintained during April at the levels reached in March this year. Activity in France continued to be restricted, as a result of unsatisfactory current business.

Continental spinner buying of raw cotton was quiet during April, largely because of the declining raw cotton prices. Price fixing, on the other hand, took place on an extensive scale.

Continental spinner takings of American cotton

Spinner takings of American cotton during the 4 weeks ended about the middle of April amounted to 318,000 bales as compared with 404,000 bales during the previous 4 weeks, and only 235,000 bales during the corresponding 4 weeks last year. Total takings from the first of the season to about the middle of April were fully 250,000 bales, or about 10 percent above those for the same period last year.

Germany

Conditions in the German cotton textile industry during the month of April continued favorable and reports from various parts of the country indicate that sales were mostly satisfactory, although varying according to regions. The southern German cotton industry reported unfilled orders sufficient to last the weaving mills at the present high rate of activity until well into September. The temporary buying prohibition placed on certain raw materials, including cotton, toward the end of March tended to stimulate purchases of cotton goods, but the movement did not assume unusual proportions.

The detailed cotton spinner report for the month of March, which is now available, indicates that new orders received by cotton spinning mills continued on a satisfactory scale, so that not only the amount of unfilled orders on hand, but also actual employment was increased during the month. In addition, some decline in the stocks of cotton yarn was reported. Less favorable reports were received from the two-cylinder spinning mills where incoming orders have been slow and prices unsatisfactory. The detailed

weaver report for March indicated active sales and an increase in unfilled orders up to the end of the month. The improvement in business was in large part due to a further increased demand for uniforms of various kinds.

As a result of the favorable developments in new business during the past several months, mill activity in the spinning, weaving and knitting branches remains very high. Latest figures on cotton mill activity in Germany indicate that monthly cotton textile production ever since the middle of last year has been considerably higher than the average monthly production during 1928. The latest index available is for January and shows an increase of about 20 percent over January 1933.

German cotton spinner purchases of raw cotton during April were confined to current requirements. Under the purchase prohibition they were limited to such cotton (mostly owned by Bremen merchants) as was already within German customs boundaries on the 21st of March, the date the prohibition became effective. Price fixing on previously made contracts, on the other hand, was of considerable volume during the second half of the month, when the decline in raw cotton prices became pronounced.

The temporary buying prohibition issued on March 21, 1934, and applying to all raw cotton not yet within German boundaries, was originally effective until May 5, but was extended to May 21. In the meantime, the newly established Control Commissioner's Office at Bremen called upon all holders of raw cotton and cotton linters to report not later than May 12, 1934, the exact amount of cotton in their possession on March 31, 1934. Those who did not receive direct questionnaries, but who possessed stocks of cotton or cotton linters for their own or for foreign account were also obliged to report all such stocks to the Commissioner's office not later than May 12, 1934.

In order to avoid unreasonable price increases of both raw cotton and manufactures therefrom, the Ministry for Economic Affairs issued an ordinance on April 21, 1934, which prohibits such price increases beyond those resulting from an increase of actual costs. Maximum prices for raw materials, manufactures and finished goods were established. These maximums are the highest prices obtained by the seller during the 3 weeks ended March 21, 1934, that is during the 3 weeks prior to the announcement of the buying prohibition. If no sales were completed during that period, the price must not exceed that level which, as the ordinance expresses it, was justified by the market situation on March 21. For raw materials, including cotton and cotton linters, the prices of which are determined on world markets, domestic sales prices and quotations may be increased by amounts corresponding to the increases in the prices of these raw materials on foreign markets since March 21. This idea of permitting firms to use a "replacement price" in calculating their costs is also extended to the trading in semi-manufactures and manufactured textile goods in so far as the costs of these have been affected by raw material costs.

Attempts have been made recently to calculate the probable supplies of raw cotton and other raw materials in Germany in order to ascertain how long Germany could do without the importation or purchase of the foreign raw materials affected. As far as raw cotton is concerned, some indication of the actual supply is given by the weekly statistics on raw cotton stocks

at Bremen and by the statistics on raw cotton stocks with German cotton spinners (January 31, 1934). On March 24, 1934, the approximate date when the buying prohibition became effective, actual stocks at Breman amounted to roughly 600,000 bales as compared with about 580,000 bales on the same date last year, and 340,000 bales on the same date 2 years ago. Spinner stocks on January 31, 1934, which probably did not change significantly from that date to the end of March , were 265,000 bales as compared with about 175,000 bales on January 31, 1933, and 195,000 bales on January 31, 1932. If we assume these mill stocks to have been approximately the same toward the end of March, we would arrive at the following:

Cotton stocks at Bremen and at mills toward the end of March

Year	Running bales
1932	535,000
1933	755,000
1934	865,000

From these figures should be subtracted those cotton stocks which are stored in Bremen for the account of central European spinners outside of Germany though the amount of this foreign owned cotton is said to be relatively small. On the other hand, the above figures should be increased by those quantities of cotton which on the day of compilation of the statistics were in transit within Germany. They should also be increased by those much more important quantities which, up to the day of issuance of the buying prohibition (and the respective dates for the previous 2 years), had been bought by German interests but had not yet reached Germany. These unfilled purchases would have to include those which involved only the stipulation of the "basis", and on which the final price fixing had been left open. From this it can be seen that some German purchases which, from the standpoint of the market are real buying transactions, have been made since the issuance of the buying prohibition, and will continue to be made as price-fixation on previously concluded contracts is not prohibited. These price-fixations, of course, represent real buying transactions as far as the market is concerned.

A complete statement of present supplies cannot be obtained, but if we take only the Bremen and the spinner stocks it may be stated that stocks on hand toward the end of March were sufficient to last the cotton industry, at the rate of mill activity prevailing during the first half of the current season, (120,000 running bales per month), for 7 months, assuming complete exhaustion of all stocks. Should mill activity be 20 percent lower than during the exceptionally active period August to January 1933-34, the quantities indicated (not counting spinner and merchant advance purchases) would cover requirements for 8 to 9 months. Such calculations, though of value, must be used with care. They do not take into consideration the fact that spinners and merchants must keep on hand at all times a sort of irreducable minimum. These stocks are necessary not only from the technical viewpoint of spinner business, but a wide choice of spot cotton must be maintained at Bremen for both German and other central European customers. In view of the above it is believed that Bremen and spinner stocks, together with spinner and merchant advance purchases, should equal at least 3 to 4 months

spinners' requirements. This does not necessarily mean, however, that the restriction on imports will be in force that long.

Czechoslovakia

The latest report of the Czechoslovakian National Bank, in agreement with the expectation expressed in our last report, indicates a fair revival in the cotton textile industry during March and early April. As a result of improvement in consumer demand, retail stocks gradually became exhausted and necessitated increased wholesale buying from the factories. This resulted in a small increase in the mill activity of cotton spinners and weavers. The revival of sales was not confined to the domestic market, but extended to foreign sales as well. In this connection the devaluation of the Czechoslovakian currency is assumed to have played a significant part.

Austria

Reports from the Austrian textile centres indicate that the slight improvement in the cotton textile industry indicated for March was fairly well maintained during April. Foreign sales, however, met with increased competition from Czechoslovakia due to the latter's depreciated currency.

France

Business in the French cotton textile centers during April continued dull, and a further restriction in cotton mill activity occurred in places. Despite the depressing influence of the price declines in the raw cotton market, business in cotton yarn and cotton cloth showed a slight revival toward the end of the month and a slightly more optimistic view as to future developments prevailed. The deflationary policy of the government, however, continues to inspire occasional outbursts of anxiety and pessimism.

Holland

According to the latest state of trade report made to the International Federation at Manchester, there was an increased demand for cotton yarn during the first quarter of 1934 though conditions continued far from satisfactory. Most spinning mills increased their activity slightly at the beginning of 1934. On the other hand, demand for cotton goods on the home market remained very unfavorable, and export business was also unsatisfactory. Dutch exports have been placed at a considerable disadvantage not only because of import restrictions in many foreign countries, but also because of the relatively high international value of the Dutch currency.

Italy

The Fascist Cotton Association reported to the Manchester Federation that during the first quarter of 1934 the Italian cotton industry has shown a tendency to maintain the position reached in 1933. Export business, however, is greatly handicapped.

Recent newspaper information concerning the plans of a Japanese consortium to grow cotton in Abyssinia aroused considerable interest in many parts of the world, including Italy. Italy has extensive industrial and

commercial interests in Abyssinia, and it has been said that the Japanese cotton plans would meet with serious Italian opposition. It is reported that Italian circles have attempted to get in touch with British interests in order to bring about united opposition to those plans. The reasons for this opposition may, however, not lie so much in the field of direct interest in Abyssinia, as in the possibility of still stronger Japanese competition, should Japan obtain her own source of raw material.

Poland

The Manchester report for the first 3 months of 1934 shows that a material improvement has taken place in the Polish industry, with spinners better occupied than weavers. Occupation of the industry is reported as follows:

(Assumed to be in percent of full 48 hour production capacity)

	Jan.	Feb.	Mar.
Spinning industry	92.64	113.67	111.53
Weaving industry (great factories)	80.0	90.0	

Exports of cotton yarns, piece goods and ready-made clothing, according to the report, showed considerable increases in February compared with January.

China 1/

During the early part of May the Chinese yarn market became more active with increased buying reported from coast points and from the interior with the demand for yarns above 32s better than for coarser counts. The improvement in the yarn market was attributed to the firmness in raw cotton prices and to the reduction in production with the accompanying reduction in stocks. The Japanese mills are said to have profited most in reducing yarn stocks and in early May were again operating at 90 to 95 percent of full capacity. The Chinese owned mills were still running at about 75 percent of capacity with their stocks still heavy.

Business in piece goods continued much on a hand to mouth basis due to restricted demand and caution of banks in financing credits.

Japan 2/

Cotton mill activity in Japan reached a new high during April when the total production of yarn reached 283,000 bales of approximately 400 pounds. Yarn production in March amounted to 267,000 bales and in April last year to 258,000 bales. Total production from August 1 to April 30

1/ Based largely on a radiogram on May 14 from Agricultural Commissioner O. L. Dawson at Shanghai.

2/ Based largely on a report from Vice Consul McConaughy at Kobe, Japan received via radiogram from Shanghai, China on May 9.

amounted to 2,411,000 bales which was 11 percent larger than in the like period last season and 17 percent larger than in the first three quarters of 1931-32. In view of the import quotas on Japanese goods which the British possessions are said to have adopted recently, it would seem that yarn production and cotton consumption in Japan could hardly be expected to continue at record levels much longer, although the stocks and unfilled orders situation among the Japanese mills is said to be good. The Dutch East Indies are also said to have set up import restrictions against Japanese goods.

Production, Acreage, and Crop Conditions

United States

Final estimate of 1933 crop - The final ginnings report of the Bureau of the Census placed the 1933 crop at 13,047,000 bales of 478 pounds net or 500 pounds gross. This was only 1 percent less than the December estimate of the Crop Reporting Board. The following comments were released by the Crop Reporting Board in their crop report of May 22.

"The Crop Reporting Board, in revising statistics of acreage, yield and production of the 1933 cotton crop, estimates the area in cultivation in the United States on July 1 to have been 40,852,000 acres; the area harvested, 29,978,000 acres; and the yield of lint cotton to have been 208.5 pounds per acre. The report of the Bureau of the Census, published on May 16, placed final ginnings for the 1933 crop at 13,047,262 equivalent 500 pound bales.

"The acreage in cotton on July 1, 1933 was approximately 11.8 percent greater than the acreage on that date in 1932. However, the acreage left for harvest was about 16.6 percent less than the acreage harvested in 1932, after allowing for acreage removed from production under Agricultural Adjustment Administration contracts and for subsequent abandonment on the acreage remaining. Harvested acreage estimates for other years which are comparable with the estimate of 29,978,000 acres harvested in 1933 are as follows: 1932, 35,939,000 acres; 1931, 38,705,000 acres; 1930, 42,454,000 acres; 1929, 43,242,000 acres; 1928, 42,432,000 acres; 1927, 38,349,000 acres; 1926, 44,616,000 acres.

"The average yield per acre of 208.5 pounds in 1933 is the highest yield produced in any year since 1914, with the exception of 1931. The high average yield is the result of unusually favorable conditions which prevailed throughout most of the growing and harvesting season.

"The revised acreage and yield estimates for the United States are each about one-half of 1 percent below the preliminary estimates made last December. Final production as determined by ginnings is about 1 percent below the preliminary estimate of production.

"Forecasts of cotton production made by the Crop Reporting Board during the 1933 season and percentage comparisons with the final production are as follows:

"August 1, 12,314,000 bales, 5.6 percent below final production; September 1, 12,414,000 bales, 4.9 percent below; October 1, 12,885,000 bales, 1.2 percent below; November 1, 13,100,000 bales, .4 percent above; December 1, 13,177,000 bales, 1.0 percent above. The August and September forecasts were somewhat below final production, as later conditions were unusually favorable for maturing and harvesting of cotton. The forecasts are necessarily based upon indications at the time the reports are prepared and upon the assumption that conditions after that time will be about average."

The following report on reduction in cotton yields from stated causes in 1933 was also released by the Crop Reporting Board on May 22.

"Reductions from full yield of cotton per acre in 1933 were much less than usual for each of the various causes reported by crop correspondents. The total reduction from various causes is reported to have been only 28.6 percent of a normal or full crop, compared with 42.7 percent reduction reported in 1932, 27.8 percent in 1931, 47.1 percent in 1930 and 43.8 percent in 1929.

"Deficient moisture, or drought, was reported as being responsible for 6.8 percent reduction in yield, compared with 8.0 percent in 1932, 8.3 percent in 1931, and 27.7 percent in 1930. Loss from excessive moisture for the Belt as a whole was relatively small, being reported at 2.6 percent, compared with 3.9 percent in 1932, 2.6 percent in 1931, and 2.8 percent in 1930.

"While the boll weevil was the principal cause of damage in 1933, loss from this source was below average. Loss by boll weevil for the Cotton Belt proper was reported at 9.1 percent compared with 15.2 percent in 1932, 8.3 percent in 1931, 5.0 percent in 1930, and 13.3 percent in 1929.

"'Other climatic' causes, including floods, frost, heat and hot winds, were responsible for 3.7 percent against 6.1 percent in 1932, 3.5 percent in 1931 and 6.3 percent in 1930. Plant diseases are reported to have caused losses of about 2.3 percent. Loss due to insects other than boll weevil was reported at 2.2 percent, which is about average.

"This statement on losses is based upon reports of crop reporters made in March, on a crop damage inquiry in which the reporters were asked to report the percent of a normal yield per acre of cotton harvested the preceding year, the percent loss in yield, and to distribute the loss to stated causes. The resulting indicated percentages represent the consolidated judgment of the crop reporters and are useful as a rough index of relative losses from the stated causes."

For details by states send for a copy of the Cotton Crop Report of May 22.

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Soviet Russia 1/

About 265,000 hectares, 655,000 acres, or 17.7 percent of the planned cotton acreage, was sown by April 20 this year in the Soviet Union as a whole. This is about 20 percent more than at the same time a year ago. Progress to date may be regarded as quite satisfactory, in view of the fact that weather conditions in April were not particularly favorable to rapid sowing progress. Thus, the chief cotton producing region of the Union, Middle Asia, complained of unusual rains which retarded ploughing and sowing. As a result, first ploughing was considerably delayed and the discrepancy between first and second ploughing steadily increased, according to a report from Ferghana around the middle of April. Such weather conditions naturally reduce the number of days available for field work and, therefore, necessitates more rapid progress later on in order to complete the campaign in due time. As usual, there are numerous complaints of poor organization, particularly in respect to tractor repairs and distribution of seeds. Frequent breaking down of tractors and considerable loss of time as a result of prolonged stoppages of machinery owing to poorly organized field repairs, as well as poor distribution of seeds and fuel are important factors handicapping cotton field work. Such reports come in from all cotton growing regions of the Union, but, as had been the case during the past year, the situation seems to be most unsatisfactory in the case of the so-called "new cotton regions" where because of ignorance of production methods and a certain "anti-cotton" sentiment the difficulties are reported as being particularly imposing.

1/ Based on a report prepared by Donald F. Christy, Assistant Agricultural Attache at Berlin, Germany, dated May 7.

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